



Car Buying: Tricks and Traps

The Big Debate:

Buy
or
Lease?



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Know Your Budget

- Car payments should be no more than 4-6% of your gross income.
- \$50,000 a year = \$3,000 on car payments (\$250/mo)



STICK TO IT!

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Trap #1: Dealership Financing

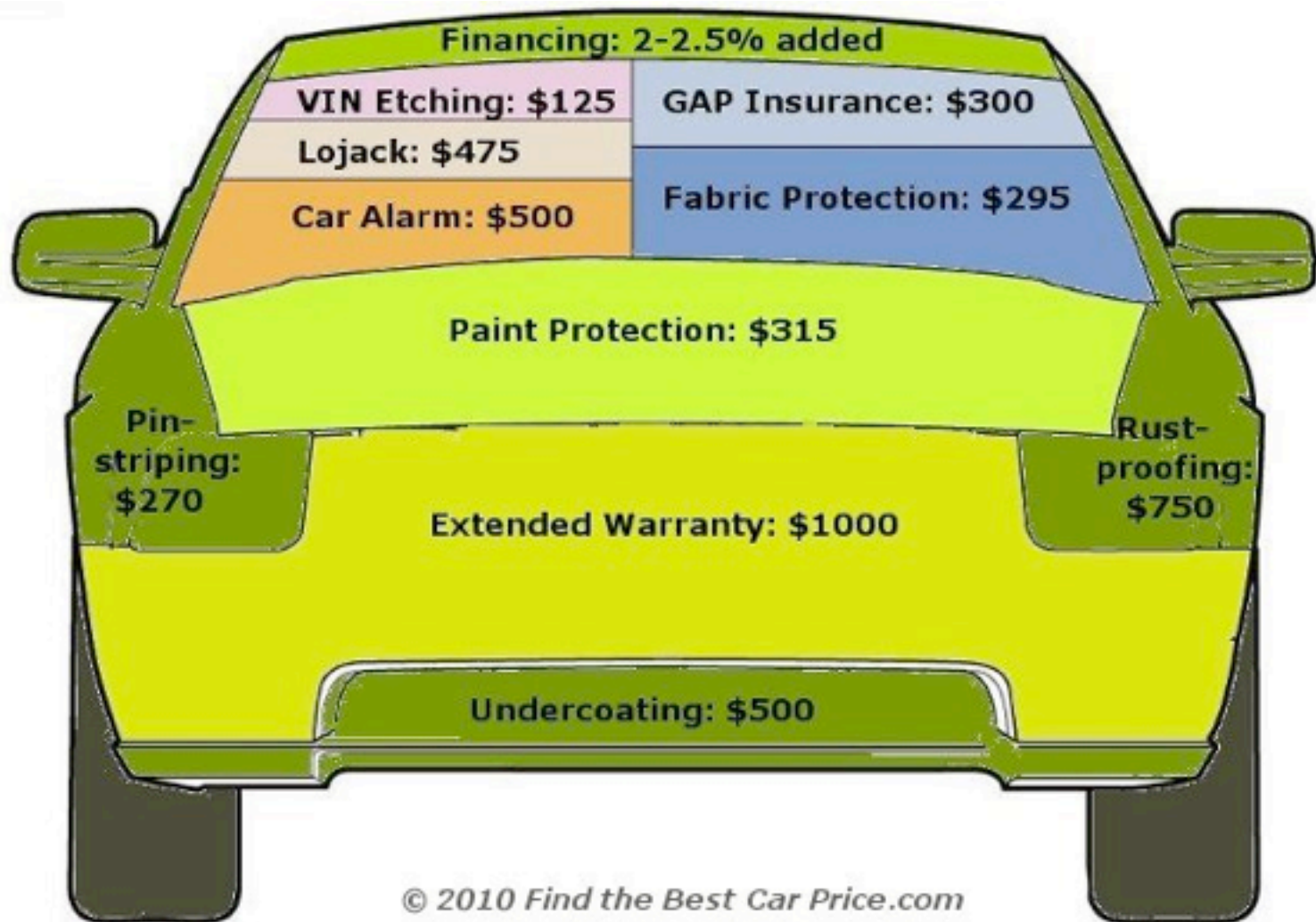
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“Time to talk to the finance manager.”

- They do this for a living
- Dings on credit
- You’ll pay a higher percentage
- They make \$\$ here



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Trick:

*Get Qualified at the Credit
Union first!*



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Trap #2: Payment Shopping

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“What would you like your payment to be?”

- You'll pay a higher overall price
- Never have equity
- Horror Stories



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Tricks:

- *Calculate your car budget.*
 - *Do your homework!*
- *Calculate potential payments.*

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Trap #3: Negotiation

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“This is the best I can do.”

- They do this for a living
- They count on lack of preparation
- Goal is to throw you off
- Keep you there until you'll agree to anything to leave



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Tricks:

- *Practice negotiating.*
- *Take someone with you.*
- *Be willing to walk away.*

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Trap #4: Insurance & Warranties

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“Would you like to extend the extended warranty?”

- They make \$\$ here
- No GAP insurance needed if you bought the car right
- Warranties - roll the dice
- Don't roll warranties into financing



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Tricks:



- *Negotiate the warranty price.*
- *You have the ability to cancel within a certain amount of time*
 - *Stick to your budget!*



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